

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 EPG-02 AID-05 SS-15

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INFO ALL OECD CAPITALS

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E.O. 11652: N/A

TAGS: ETRD, OECD, EFIN

SUBJECT: OECD AD HOC GROUP ON COMMON FUND: PROPOSED
WORK PLAN

REF: PARIS 20017

1. FIRST MEETING OF AD HOC GROUP ON COMMON FUND AGREED
THAT CHAIRMAN SHOULD SUGGEST FUTURE WORK PLAN FOR GROUP TO
DISCUSS AT JULY 28 MEETING. A SUGGESTED PLAN IS TRANS-
MITTED BELOW AND SHOULD BE DELIVERED TO THE OECD SECRETARIAT
FOR CIRCULATION TO OTHER MEMBERS OF THE AD HOC GROUP PRIOR
TO JULY 28, PRESUMABLY IN THE FORM OF A CHAIRMAN'S NOTE.

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2. BEGIN TEXT: PROPOSED FUTURE WORK PLAN OF THE OECD
AD HOC GROUP ON A COMMON FUND.

GENERAL

THE WORK OF THE AD HOC WORKING GROUP CAN BE ENVISAGED

AS DIVIDED INTO AT LEAST FIVE DISTINCT PARTS:

I. OPERATIONAL MECHANISM OF A FUND

1. POOLING, INCLUDING DEPOSIT AND WITHDRAWAL RIGHTS.
2. POSSIBLE BACK-UP FACILITIES FOR THE POOL, INCLUDING OVERDRAFT CAPABILITY.

II. BASIC ISSUES OF PRINCIPLE CONNECTED WITH A FUND
(NON-EXHAUSTIVE LIST FOLLOWS)

1. MEASURES OTHER THAN BUFFER STOCKS.
2. INCLUSION OF NATIONAL STOCKS.
3. DEFINITION OF ELIGIBLE ICOS
4. VOLUNTARY CONTRIBUTIONS
5. START-UP PROCEDURES

III. ORGANIZATIONAL QUESTIONS

1. INSTITUTIONAL LOCATION
2. ORGANIZATIONAL STRUCTURE
3. DECISION-MAKING MACHINERY
4. MEMBERSHIP

IV. RESEARCH

1. INVESTIGATION OF LIMITED-COMMODITY MODELS
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2. INVESTIGATION OF POOLING ECONOMIES

V. TACTICS

3. DISCUSSION

IN THE PERIOD BETWEEN NOW AND THE OPENING OF THE NOVEMBER NEGOTIATING CONFERENCE IN THE UNCTAD, ALL OF THESE CATEGORIES WILL NEED TO BE DEALT WITH. BUT OBVIOUSLY THE LAST-NAMED, TACTICS, CAN ONLY BE HANDLED ONCE THE POSITION OF OECD COUNTRIES HAS BEEN FORMULATED. ALSO, CATEGORY IV, RESEARCH, WOULD SEEM TO BE A TASK WHICH CAN BE PURSUED THROUGHOUT THE PERIOD FROM NOW UNTIL NOVEMBER, AND POSSIBLY BEYOND THAT DATE, WITHOUT REFERENCE TO OTHER DEVELOPMENTS.

OF THE THREE REMAINING AREAS, THE SUBJECT OF THE OPERATIONAL MECHANISM IS THE MOST IMPORTANT. THE WORKING GROUP SHOULD THEREFORE IN ITS REMAINING JULY MEETING CONCENTRATE ON THIS SUBJECT, AND WITHIN IT, ON THE ESSENTIAL BUILDING BLOCK OF THE SYSTEM, A POOLING ARRANGEMENT. WHEN THE GROUP RESUMES ITS WORK IN SEPTEMBER,

SEPARATE DISCUSSIONS -- POSSIBLY IN CONNECTION WITH
SUBMISSIONS BY PARTICIPATING COUNTRIES -- COULD BE HELD ON
ISSUES OF PRINCIPLE REGARDING A FUND AND ON THE ORGANIZA-
TIONAL QUESTIONS LISTED.

IF THE WORKING GROUP CAN REACH A CERTAIN LEVEL OF
UNDERSTANDING ON MANY OR MOST OF THESE POINTS BY THE END
OF SEPTEMBER, THE OECD HIGH-LEVEL GROUP COULD THEN CARRY
OUT A GENERAL REVIEW OF THE ISSUES AND GIVE SOME INITIAL
GUIDANCE ON TACTICS TO BE PURSUED.

THE WORKING GROUP COULD THEN MEET AGAIN IN OCTOBER TO
DISCUSS IN DETAIL TACTICS FOR THE NOVEMBER MEETING AND
ANY OUTSTANDING ISSUES. ASSUMING AGREEMENT FROM PREVIOUS
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SESSIONS AND FROM THE HLGC ITSELF, A SPECIAL DRAFTING
GROUP COULD BE ESTABLISHED TO FORMULATE POSSIBLE DRAFT
ARTICLES OF AGREEMENT FOR A COMMON FUND TO BE TABLED
DURING THE NOVEMBER NEGOTIATING SESSION.

4. PROPOSED FUTURE WORK PLAN

MEETINGS	SUBJECT
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JULY 28	OPERATIONAL MECHANISM: POOLING BACK-UP FACILITIES
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SEPTEMBER 7-8	OPERATIONAL MECHANISM: POOLING BACK-UP FACILITIES INCLUDING POSSIBLE ADDITIONAL OVER- DRAFT
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ISSUES OF PRINCIPLE

ORGANIZATIONAL QUESTIONS

SEPTEMBER 7-28	OPERATIONAL MECHANISM: BACK-UP, FACILITIES INCLUDING POSSIBLE ADDITIONAL OVER- DRAFT
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ISSUES OF PRINCIPLE

ORGANIZATIONAL QUESTIONS

SEPTEMBER 30
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(HLGC) REVIEW OF AD HOC GROUP'S WORK

TACTICS

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OCTOBER DRAFTING OF PROPOSED ARTICLES OF
AGREEMENT

TACTICS

SUPPORTING RESEARCH WOULD BE GOING ON THROUGHOUT THE PERIOD
END TEXT. VANCE

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